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C O N F I D E N T I A L SECTION 01 OF 03 TASHKENT 000108

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E.O. 12958: DECL: 2019-01-27 TAGS: PREL PGOV PINR ENRG RS UZ SUBJECT: Medvedev's Visit to Uzbekistan

CLASSIFIED BY: Nicholas Berliner, Pol-Econ Chief: REASON: 1.4(B), (D)

- 11. (C) Summary: Official Tashkent is still parsing the January 22-23 visit of Russian President Medvedev. Discussions here with contacts, including the Russian Embassy, have brought several key themes to the fore:
- -- Regional Water Issues: In a major victory for the Uzbeks in the perennial tug of war over water (and a blow to both the Tajiks and Kyrgyz), Medvedev said that any construction of new hydro plants must take into account the interests of affected states;
- -- Afghanistan: Karimov agreed to participate in an SCO conference on Afghanistan in Moscow in March to which the Afghan side could be invited as "guest";
- -- Energy: Karimov committed to (continuing) Uzbek gas exports exclusively to Russia "at market prices." He also pledged support for the construction of a second Central Asian Pipeline to Russia;
- -- Manas: There has been no indication from any source that Medvedev tried to enlist Karimov in an effort to close our base at Manas or that the matter was even discussed. The Russian Charge in Tashkent denied that there was any discussion of this issue, which he called mere press speculation. End Summary.

Uzbeks Size up Medvedev

- 12. (C) The visit of Russian President Medvedev to Uzbekistan on 12. (C) The visit of Russian President Medvedev to Uzbekistan on January 22-23 was anticipated with some trepidation in Tashkent, as the Uzbeks were uncertain what to make of Russia's new president and how the Russians would react to foreign policy decisions that were viewed by some as moving Uzbekistan away from Russia. Two issues, in particular, set the background: 1) Uzbekistan's failure to openly support Russian positions on the Georgia conflict and Abkhazia and South Ossetia; and 2) Uzbekistan's withdrawal from the Russian-dominated economic group EURASEC last fall. The assumption on the part of some was that Moscow would not brook such brashness on the part of a Central Asian state that it views as remaining squarely in its sphere of influence.
- 13. (C) Karimov was also apparently skeptical of Medvedev personally, the latter not issuing from the ranks of Soviet apparatchiks and significantly younger than Karimov himself. Medvedev's visit to Uzbekistan also occurred quite far into his tenure as Russian president, at least in the Uzbek view where Tashkent is the political and cultural center of Central Asia. The visit, particularly Medvedev's making his first stop in Karimov's native Samarkand, seem to have quelled mutual suspicions for the time being. The Russian Charge told us Samarkand was Medvedev's decision and confirmed to us that two tete-a-tete meetings between the presidents went on much longer than planned and both appeared pleased with the results.

What Karimov and Medvedev Discussed

- 14. (C) Based on discussions here with other diplomats, independent policy analysts and the Russians themselves (Note: As of this writing we have yet to secure a meeting with the Uzbek MFA to discuss the visit. End Note.), key themes of the Karimov-Medvedev meetings were:
- -- Water: This is a key issue for the Uzbeks who are dependent on water from Tajikistan and Kyrgyzstan for irrigation and fearful that planned hydro power plants could deprive their agricultural sector of water in the spring and summer. Medvedev's statement that decisions regarding the construction of hydro power facilities must take into account the interests and views of affected states

TASHKENT 00000108 002 OF 003

mirrors the long-held Uzbek position on this issue. From the Uzbek perspective, perceived support from Russia will give them the upper hand in their dealings with Bishkek and Dushanbe on these issues. It is also noteworthy in this regard that Medvedev's statement would seem to call into question the promised Russian financial support to Kyrgyzstan for the construction of a hydro facility as some sort of quid pro quo on the future of Manas (more on Manas helow):

the energy sector. Medvedev was preceded by one day in Tashkent by the CEO of Lukoil and accompanied by the CEO of Gazprom; needless to say, energy played large in the talks with Karimov who stated that Uzbekistan would continue to export its gas exclusively to Russia and, according to the Russian embassy, offered his support for the construction of a second Central Asian gas pipeline linking Uzbekistan, Turkmenistan, Kazakhstan and Russia. Uzbek gas is important for Russia in its continued efforts to cast doubts on the viability of supply for Europe's Nabucco project and Karimov expressed the wish to increase gas exports in the coming years. The two sides also apparently agreed that all such transactions would take place on the basis of "market prices" (which, the Russian Charge noted, could go down as well as up);

- -- Afghanistan: The official communique from the meeting (e-mailed to SCA/CEN) refers to Afghanistan and the situation there was apparently discussed at some length. Medvedev commented publicly on Russia's willingness to cooperate with the U.S. on Afghanistan. The Uzbek side repeated its well-known view that there is no military solution for Afghanistan and made another pitch for Karimov's "six plus three" forum. At the same time, the Uzbeks agreed to participate in an SCO meeting on Afghanistan in Moscow in March (something they have resisted heretofore). The Russian embassy told us that although Afghanistan does not have observer status in the SCO, Afghan reps would likely be invited as "guests";
- -- Manas: Despite long-standing rumors in the Central Asian press that Russia would attempt to enlist Uzbekistan to pressure Kyrgyzstan to close Manas, it seems that this was a dog that never barked. The Russian Charge flatly denied that there was any discussion of the issue or that Russia even had an interest in the U.S. leaving Manas and we have neither seen nor heard any other reference to it;
- -- Migrant Workers: There are no firm figures on the number of Uzbeks working in Russia, but by most accounts the number is greater than two million. This is an important safety valve for Uzbekistan and a key source of income. However, it has also become a sore point in relations with Russia as there are more frequent reports of xenophobic attacks and even murders of Uzbeks in Russia. If Karimov hoped that Medvedev would agree to legally admit larger numbers of Uzbek workers, it seems he was disappointed.

Comment: Significance for U.S. Interests

15. (C) The visit was clearly seen as a success by both sides, the personal chemistry appeared good, and after a year of tormenting the Russians, Karimov may have decided the time has come to move toward a more normal relationship. This is not necessarily bad for us. We view as credible and positive that the issue of Manas did not come up. Furthermore, the Russian statement on water issues would seem to undermine Kyrgyz claims that Russia is prepared to finance its hydro projects in exchange for Manas. The stage seems to have been set for closer cooperation in the region on Afghanistan, including transit of supplies for U.S. forces. Karimov is very conscious of Moscow's views in everything he does

TASHKENT 00000108 003 OF 003

and after a year of thwarting Russian wishes, he may feel more secure that his cooperation with the U.S. on transit will not be perceived as "tilting against Russia." For their part, the Russians came away with something they needed on the energy front. NORLAND

To view the entire SMART message, go to URL http://repository.state.sgov.gov/_layouts/OSS SearchResults.aspx?k=messageid:6a2a9246-7b3f- 4d21-80